

MINUTES OF THE MEETING  
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

March 22, 2006

**MEMBERS PRESENT:** Lance Rhodes; William Lister; Sue Scholer; Kenneth Metzger; and Kelly Borrer.

**ALSO PRESENT:** Mark Gastineau, Terri Hawkins, Lynda Hanna, and Derick Rish, JP Morgan; Brenda Horn, Kristin McClellan, Susan Price, and Todd Ponder, Ice Miller; John Meade, Hall Render; Jennifer Marion, Sisters of St. Francis Health Services, Inc.; Neal Steinbart, Barnes and Thornburg; Ann Forey, US Bank; Curt Fritsch, CRF Group; Richard and Lois McClaughry, Community Village Inc.; Rachelle Lore; Amy Corsaro; and Dan Kramer.

Mr. Lister welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:00 a.m. on March 22, 2006, in Suite 900, One North Capitol, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Lister asked for approval of the Minutes of the February 22, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Mr. Rhodes and seconded by Ms. Scholer, it was unanimously:

**RESOLVED**, the Minutes of the February 22, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the February 22, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

Mr. Lister then checked with the board in regards to the acceptability of the scheduled April 26, 2006, meeting, and all were agreeable to that date.

Mr. Lister then asked for the Executive Director's Report.

**EXECUTIVE DIRECTOR'S REPORT**

A copy of the Executive Director's Report is attached hereto as Exhibit A.

Mr. Kramer began with the first item on the agenda, the Final Resolution regarding Sisters of St. Francis Health Services, Inc. Obligated Group. Mr. Kramer introduced Brenda Horn, Ice Miller, and Jennifer Marion of Sisters of St. Francis.

Ms. Horn began by informing Members that all interest rates have been locked into place and all three insurers are in place as well. Ms. Horn anticipates the final closings to be

on May 2 and May 16, 2006. A final amount for the bond has yet to be determined, but it is estimated that it will be less than the requested \$700,000,000. Ms. Horn informed Members that based on current numbers the amount of the bond to be used in Illinois is approximately 12.8%. Ms. Horn then introduced Ms. Marion.

Ms. Marion began by reiterating that 75% of the requested bond amount is to go towards refunding their existing bonds. This will give them a present value savings of \$19,000,000 at a 4% level and \$27,000,000 at a 5% level. Ms. Marion then asked if there were any questions. There were no questions from the board.

Thereupon, upon motion made by Mr. Rhodes and seconded by Ms. Scholer, it was unanimously:

**RESOLVED**, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Hospital Revenue Bonds, Series 2006 (Sisters of St. Francis Health Services, Inc. Obligated Group) in the principal amount not to exceed \$700,000,000 and Approving and Authorizing other actions with respect thereto to be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director continued his report with the next item on the agenda, the Final Resolution regarding Marian College in an amount not to exceed \$6,000,000. The Executive Director introduced Todd Ponder of Ice Miller, bond counsel and William Curran, Vice President, Finance and Operations at Marian College.

Mr. Ponder began by introducing Mr. Curran and the underwriters, Bill Elliot and Dan Rasher of RBC Capital Markets, and Mark Gastineau of JP Morgan. Mr. Ponder continued by reporting that there have been no changes in their plans since the previous meeting. Marian College had held a community meeting earlier that day and no new questions came up. Mr. Ponder informed Members that it was to be a floating rate transaction underwritten by RBC Capital Markets and JPMorgan as the trustee. The Official Statement was expected to be received on March 23, 2006, and the closing scheduled for March 30, 2006. Mr. Ponder then asked if there were any questions, there were none.

Thereupon, upon motion made by Ms. Scholer and seconded by Mr. Rhodes, it was unanimously:

**RESOLVED**, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Variable Rate Demand Educational Facilities Bonds, Series 2006 (Marian College Project) in the principal amount not to exceed \$6,000,000 and Approving and Authorizing other actions with respect thereto to be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit C.

The Executive Director continued his report with the next item on the agenda, the Application and Preliminary Resolution for Community Village, Inc. - Hartsfield Village Project in an amount not to exceed \$25,000,000. The Executive Director introduced Neil Steinbart, Barnes & Thornburg, bond counsel, Richard McClaughry, President of Community Village, Inc., and Steve Johnson from Ziegler Capital Markets, the underwriter.

Mr. Steinbart began by introducing Richard McClaughry, President of Community Village, Inc., Steve Johnson from Ziegler Capital Markets, and Brenda Horn, Ice Miller, underwriter's counsel. He informed Members that Community Village, Inc. - Hartsfield Village began in 1997 as a 501(c)3 not for profit continuing care facility and has been in full operation since 1999. Mr. Steinbart then introduced Mr. McClaughry.

Mr. McClaughry informed Members that he has been with the organization since its inception in 1997. Mr. McClaughry pointed out that the financials for the facility have been good, and all covenants in the existing bonds have been met. He then pointed out that the nursing facility has very good surveys and inspections from the state with only a few minor deficiencies. The occupancy has been high consistently. The Assisted Living facility has had no deficiencies in their state inspections, and has been named Best in Region three years running by the Times of Northwest Indiana. The occupancy rates have remained in the 90 percentile. There have been renovations to the Independent Living facilities to make more one-bedroom apartments that are more attractive to potential residents.

Mr. McClaughry continued by informing Members that the proposed bond is to be issued to refund the outstanding Series 1997 Bonds to take advantage of a lower interest rate and extend the final maturity of the bonds to 2036 instead of 2027. Refunding the bonds will also allow for the borrower to replace existing bond documents with new documents that do not have the restrictive covenants that were put in place as a startup community. Mr. McClaughry then asked if there were any questions, there were none.

Thereupon, upon motion made by Mr. Metzger and seconded by Mr. Rhodes, it was unanimously:

**RESOLVED**, the Preliminary Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Revenue Bonds, Series 2006 (Community Village - Hartsfield Village Project) in the principal amount not to exceed \$25,000,000 and Approving and Authorizing other actions with respect thereto to be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit D.

The Executive Director continued his report with the next item on the agenda, the Resolution Electing to Join the Public Employee's Retirement Fund (PERF). Mr. Kramer explained that PERF is the retirement plan that is utilized by the Indiana Finance Authority and will be one-third the cost of the retirement plans previously used by the Authority. He continued by explaining that The Authority would be responsible for payment of both the

Defined Benefit portion of the plan (approx. 4.5% of gross salaries) and the 3% applicable to the Annuity Savings Account.

Mr. Rhodes suggested looking into the Teacher's Retirement Fund (TRF) as an option as well, to which Mr. Kramer responded that he would.

Thereupon, upon motion made by Mr. Rhodes and seconded by Ms. Borrer, it was unanimously:

**RESOLVED**, the Resolution Electing to Join The Public Employees' Retirement Fund and Approving and Authorizing other actions with respect thereto to be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit E.

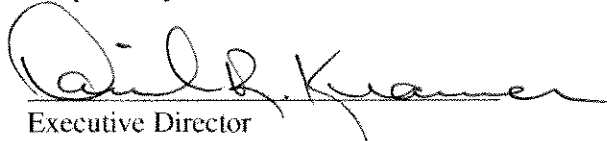
The Executive Director continued his report by introducing Ms. Borrer to report on the latest investor's meeting with BioCrossroads. Ms. Borrer informed Members that at the last meeting a new venture had been chosen to invest in, a press release regarding this is scheduled for June. The new venture is formed around a new medical diagnostic technology that will be highly beneficial for both Indiana and the nation as a whole and will be located in Indianapolis. The funds will go toward clinical trials and FDA approval.

Mr. Rhodes mentioned that Dr. Monroe, Commissioner of the Indiana State Department Health, would like to attend and present a couple of program ideas at the April Authority meeting.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Executive Director